

House File 372 - Introduced

HOUSE FILE _____
BY R. OLSON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning approval of horse racing purse agreements.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 2340HH 82
4 ec/es/88

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1 1 Section 1. Section 99F.6, subsection 4, paragraph a, Code
1 2 2007, is amended to read as follows:
1 3 a. Before a license is granted, the division of criminal
1 4 investigation of the department of public safety shall conduct
1 5 a thorough background investigation of the applicant for a
1 6 license to operate a gambling game operation on an excursion
1 7 gambling boat. The applicant shall provide information on a
1 8 form as required by the division of criminal investigation. A
1 9 qualified sponsoring organization licensed to operate gambling
1 10 games under this chapter shall distribute the receipts of all
1 11 gambling games, less reasonable expenses, charges, taxes,
1 12 fees, and deductions allowed under this chapter, as winnings
1 13 to players or participants or shall distribute the receipts
1 14 for educational, civic, public, charitable, patriotic, or
1 15 religious uses as defined in section 99B.7, subsection 3,
1 16 paragraph "b". However, a licensee to conduct gambling games
1 17 under this chapter shall, unless an operating agreement for an
1 18 excursion gambling boat otherwise provides, distribute at
1 19 least three percent of the adjusted gross receipts for each
1 20 license year for educational, civic, public, charitable,
1 21 patriotic, or religious uses as defined in section 99B.7,
1 22 subsection 3, paragraph "b". However, if a licensee who is
1 23 also licensed to conduct pari-mutuel wagering at a horse
1 24 racetrack has unpaid debt from the pari-mutuel racetrack
1 25 operations, the first receipts of the gambling games operated
1 26 within the racetrack enclosure less reasonable operating
1 27 expenses, taxes, and fees allowed under this chapter shall be
1 28 first used to pay the annual indebtedness. The commission
1 29 shall authorize, subject to the debt payments for horse
1 30 racetracks and the provisions of paragraph "b" for dog
1 31 racetracks, a licensee who is also licensed to conduct
1 32 pari-mutuel dog or horse racing to use receipts from gambling
1 33 games within the racetrack enclosure to supplement purses for
1 34 races particularly for Iowa-bred horses pursuant to an
1 35 agreement which shall be negotiated between the licensee and
2 1 representatives of the dog or horse owners. For agreements
2 2 subject to commission approval concerning purses for horse
2 3 racing beginning on or after January 1, 2006, and ending
2 4 before January 1, 2021, the agreements shall provide that
2 5 total annual purses for all horse racing shall be no less than
2 6 eleven percent of the first two hundred million dollars of net
2 7 receipts, and six percent of net receipts above two hundred
2 8 million dollars. ~~Agreements~~ Any agreement that ~~are~~ is subject
2 9 to commission approval concerning horse purses for a
2 10 particular period of time beginning on or after January 1,
2 11 2006, and ending before January 1, 2021, shall be ~~jointly~~
2 12 individually submitted to the commission for approval. A
2 13 qualified sponsoring organization shall not make a
2 14 contribution to a candidate, political committee, candidate's
2 15 committee, state statutory political committee, county
2 16 statutory political committee, national political party, or
2 17 fund-raising event as these terms are defined in section
2 18 68A.102. The membership of the board of directors of a
2 19 qualified sponsoring organization shall represent a broad
2 20 interest of the communities. For purposes of this paragraph,
2 21 "net receipts" means the annual adjusted gross receipts from

2 22 all gambling games less the annual amount of money pledged by
2 23 the owner of the facility to fund a project approved to
2 24 receive vision Iowa funds as of July 1, 2004.
2 25 EXPLANATION
2 26 This bill provides that any agreement concerning horse
2 27 purses shall be individually submitted to the racing and
2 28 gaming commission for approval. Current law provides that
2 29 agreements concerning horse purses shall be jointly submitted
2 30 to the commission for approval.
2 31 LSB 2340HH 82
2 32 ec:nh/es/88